GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:1259
ANSWERED ON:21.08.2007
EXPORTS OF TEXTILES AND GARMENTS
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Will the Minister of TEXTILES be pleased to state:

(a) whether export of textiles and garments to the USA and European countries has declined in recent years in spite of abolition of quota system;

(b) if so, the details thereof and the reasons therefor; and

(c) the steps taken to accelerate exports especially to USA and European Countries?

Answer

MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN)

(a) & (b): As per provisional data, India's textiles and clothing exports during 2006-07 were of the value of US$ 18729.93 million, as against exports valued at US$ 17520.07 million during the year 2005-06, registering a growth of 6.91%. India's textile and clothing exports to USA and the Member States of European Union, which together account for about two-third of our total textiles and clothing exports, have recorded a growth of 8% and 14% respectively in the year 2006 over 2005, as per World Trade Atlas data.

(c) Government has been taking a number of steps to boost textiles and garment production and exports. Some of the important initiatives taken in this regard are as follows:-

i) 100% Foreign Direct Investment is allowed in the textiles sector under the automatic route.

ii) The Government has de-reserved readymade garments, hosiery and knitwear from the SSI sector.

iii) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of the sector.

iv) A new "Scheme for Integrated Textile Parks" has been formulated by merging the "Scheme for Apparel Parks for Exports" and the "Textiles Centre Infrastructure Development Scheme", in order to expand the production base of the textiles and garment sector.

v) The fiscal duty structure has been generally rationalised to achieve growth and maximum value addition within the country. Except for mandatory excise duty on man-made filament yarns and man-made staple fibres, the whole value addition chain has been given the option of excise exemption.

vi) The import of specified textiles and garment machinery has been allowed at a concessional rate of customs duty to encourage investment and to make our textiles product competitive in the global market. The cost of machinery has also been reduced through fiscal policy measures.

vii) Duty-free import of 21 items of trimmings and embellishment items is allowed to garment exporters. This can be upto 3% of their actual export performance during the previous year.

viii) For the speedy modernisation of the textiles processing sector, Government has introduced, w.e.f 20.4.2005, a credit linked capital subsidy scheme @10% under TUFS, in addition to the existing 5% interest reimbursement.

ix) The National Institute for Fashion Technology (NIFT) and the Apparel Training & Design Centres (ATDCs) are running various courses/programmes at various places in the country to meet the skilled manpower requirement of the textiles industry, especially apparel, in the field of design, merchandising and marketing.

x) Facilities like eco-testing laboratories have been created to enable exporters to get garments/textiles pre-tested so that they conform to the requirements of the importing countries.